

## NATIONAL SECURITY COUNCIL

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## MEMORANDUM FOR THE RECORD

FROM: George E. Pickett

SUBJECT: Personnel Management at CIA

Some portion of CIA's present problems can be blamed on their personnel management system. Without having studied it, I can only draw some general conclusions. Training is not included in this discussion.

-- The system is weighted toward placing power in the hands of immediate superiors. The absence of centralized promotion, reward, assignment, etc., has led to analysts being greatly dependent upon their immediate supervisors. Three reactions have occurred: (1) internally, the organization is highly political in its selection of managers and its creation of sub-elements; (2) people are risk-averse; (3) compartmentalization is very strong.

-- Personnel is looked on as a paperwork operation rather than a key element in controlling the organization. It has not been integrated with training into a concept of what is or would be needed.

-- Organizational prosperity has deterred any effort to prune marginal performers. In essence, the definition of marginal performer in the past accepted a lower standard of performance than is now desired. In the growth of the past two decades obviously poor people were readily released. Marginal cases were not because their work was carried by others, because of personal relationships, and because the unpleasantness of firing was accentuated by the onus of doing it being placed on the low-level managers as opposed to the system as a whole.

-- Organizational compartmentalization has resulted from both the security issue and a personnel system which decentralized

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personnel handling. Parochialism grew from allegiance to one's supervisor, inability to move in and out of the Agency at different levels, and the lack of a job rotation policy of any force.

-- The skills required for entry and advancement within the Agency have been based in some cases on inaccurate assumptions. Some technical or engineering skills were probably defined appropriately. But analysts were assumed to know how to analyze by virtue of their education; managers were assumed to have demonstrated the skill during their time with CIA. At least in the latter case, the political nature of selection contradicts this assumption.

This is not to downplay the quality of the Agency's manpower, since the average educational level and the professionalism of the majority are impressive. However, the system that presently operates encourages entry level people to give excessive attention to their supervisor's wishes and to conform with the perceived image and attitudes of the Agency. The impulse to do so is subtle. For example, if analysts were reassigned frequently, were promoted centrally, and were screened for higher positions in a more objective fashion, their perspective on the Agency would be much wider and more diverse.

The Agency now has entered some lean years. The prosperity of two decades has ended. Budget constraints, the growth of civil servant salaries and the cost of new technology have brought pressure to employ fewer resources (or at least not to increase their use at the same rate) while improving output. The national policy of the government has shifted, and the Agency has not adjusted. Critics of the CIA, who were more or less ignored in the face of the continued prosperity of the 1960's, have attained more stature -- partly because they have been correct, partly because what they propose is more efficient resource use, and partly because they are allies of the Administration.

Lean years require a shift in personnel policies, not only because of problems generated by past policies but also because of the need to shape the organization to meet present and future demands. Action is especially needed because of the long-range impact of personnel policies. Some key changes in my mind:

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### Centralized Personnel Management

A number of reasons support the need for centralized control of people, i.e., central selection, training, assignment, reassignment, promotion, and release. (How far this can be done with the clandestine service requires study.)

- To give a clear signal of the DCI's intention to change the organization and of his capability to do so.

- To place the DCI in a more direct position to affect personnel motivation.

- To loosen the internal political nature of advancement within CIA.

- To force individuals to develop a wider view of the organization.

- To centralize control of a resource (manpower) in a period when resources will be scarce.

Characteristics of the centralized system might include:

- Redefinition of those special skills needed, based upon a review of the present and future needs of the Agency.

- Centralized job file with one central organization assigning and reassigning people based upon the file.

- Centralized promotion board.

- Efficiency report system with reports in a format designed to fit the job and skill specialties being evaluated.

- Screening process which identifies managerial and other skills deemed necessary.

### Establishment of Personnel Policies

With a centralized personnel system the DCI can then institute and monitor the performance of certain policies designed to direct the Agency's activities. These policies may include:

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-- Restriction on overspecialization, except in certain special fields. This could be done by limiting tours of duty, requiring rotation between directorates and between skill areas, and setting certain experience qualifications for promotion to high grades.

-- Requirement for high-level staffs to include individuals from different directorates and with different levels of experience and years of service.

-- Agency-wide personnel performance reviews at stated intervals (e.g., annually, at fifth or tenth year) to reduce the number of personnel based on anticipated future needs and desired performance levels.

-- Liberalization of job description and performance practices in order to provide information to outside prospective employers about people leaving CIA.

-- Temporary initiation of liberal retirement or release benefits to assist those now judged to be marginal performers. (Also, possibly a job search program.)

-- Allowing people to enter the Agency at different grade levels and to leave or return, but with a policy protecting those entering at the bottom from discrimination.

#### Revitalized Management Program

Few people recognize the scarcity of good managers. One article suggested that less than half of those selected by a business had proved to be good, and Government can hardly expect to do better. Also, few people realize that the skills required in managers change both with the tasks faced and the manager's level in the organization. A few ideas:

-- A management development program to select and train people presently in key positions.

-- A long-term management skill field (like an analytical or linguistic skill) in which people could become qualified through education, experience and testing.

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- Management training, including college-level work.
- Tests to identify managerial ability.
- Use of centralized personnel management to give managers experience in different areas and to encourage more information flow within the Agency.

### Conclusion

The present system for handling personnel seems to operate under a strategy of giving the decision capacity on personnel matters to the lowest and closest manager to the individual. One could hardly argue with this approach if managers themselves knew how to manage, made objective decisions, and had a concept of good job performance which was clear and related to the product. None of this is entirely true for anyone, least of all for an organization as large as the CIA has become. It may have been more appropriate when CIA was small.

Now a more centralized system is needed, if only to protect the individual. I contend it is unfair to let a man stumble along within an organization for five, ten or more years before understanding his limits. It is unfair not to counsel him sooner, and help him move elsewhere. It is also unfair to implicitly restrict a man's growth by limiting his internal mobility, or to limit his opportunities by not letting him compete in a wider population.

Finally, personnel is one part of a series of interrelated areas which include training, organization structure and management control and information. Changes in one affect the rest.